

PART 2000 - GENERAL

Subpart 000 - Memorandum of Agreement Between the Rural Business-Cooperative Service and Colson Services Corporation

§ 2000.3401 General.

The Rural Business-Cooperative Service (RBS) has entered into a Memorandum of Agreement (MOA) with Colson Services Corporation concerning sales of Business and Industry Guaranteed Loans on the Secondary Market. In order to facilitate liquidity for Holders of Guarantees, RBS wishes to memorialize the circumstances under which it will issue its certificate recognizing a Holder's interest in a Guarantee. RBS has entered into an agreement with Colson Services Corporation as the registrar and paying agent in maintaining the records needed for such recognition pursuant to the attached MOA.

§ 2000.3402 Implementation.

The MOA is attached to this subpart. Attached to the MOA are the Guaranteed Interest Certificate and the Agency Agreement for Appointment of Registrar and Paying Agent.

§§ 2000.3403 - 2000.3450 [Reserved]

Attachment: Exhibit A.

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DISTRIBUTION: WSDC

Administration
General

Agreement No. 2003-01

Memorandum of Agreement
Between the
Rural Business-Cooperative Service ("RBS")
of the
United States Department of Agriculture
and
Colson Services Corp. ("Colson")

RBS administers the Business and Industry Guaranteed Loan Program under 7 USC 1932 and 7 CFR 4279-87 (collectively, the "Program"). The Program permits a Program lender to sell all or part of the RBS guarantee applicable to a loan made under the Program (a "Guarantee") to a "Holder" as defined in the Program.

In order to facilitate liquidity for Holders of Guarantees, RBS wishes to memorialize the circumstances under which it will issue its certificate recognizing a Holder's interest in a Guarantee with Colson as the Holder's registrar and paying agent (the "Registrar and Paying Agent") in maintaining the records needed for such recognition pursuant to the Agency Agreement described in 2 below.

Therefore, RBS and Colson agree:

- 1. Certificates; Safekeeping.** RBS shall from time to time, upon request from Colson, deliver to Colson certificates substantially in the form of Exhibit A hereto (the "Guarantee Certificates"). Colson shall keep unissued Guarantee Certificates in reasonable safekeeping until the same are issued pursuant to the terms hereof.
- 2. Agency Agreements; Deposits of Guarantees.** Colson shall accept deposits from time to time of Guarantees pursuant to Agency Agreements (each an "Agency Agreement") between Colson and the depositing Holder, and Colson or its nominee shall be the party in whose name all related program documents will be held other than the Guarantee Certificate, upon compliance with the conditions for such acceptance set forth in the applicable Agency Agreement. Colson shall accept such deposits only pursuant to Agency Agreements conforming to Exhibit B hereto with such changes as shall be approved by RBS.

3. Issuance of Guarantee Certificates. RBS hereby permits Colson to complete the information called for on the face of each Guarantee Certificate and deliver such Guarantee Certificate to RBS for its signature. A duly authorized officer of RBS will execute the Guarantee Certificate. Within one business day of its receipt of such Guarantee Certificate, RBS agrees to sign and return the Guarantee Certificate to Colson via express mail. Upon Colson's receipt of the executed Guarantee Certificate, Colson will deliver such Certificate to the Holder.

4. Registration, Transfer and Replacement of Guarantee Certificates. Colson shall maintain a register showing the name of the Holder of each Guarantee Certificate (a "Certificate Holder"), the Certificate Holder's address, the principal amount of each Guarantee Certificate and such other information concerning such Guarantee Certificate as shall be appropriate and customary under the circumstances. [Upon delivery of a Guarantee Certificate with proper transfer instructions to Colson from or on behalf of the registered Certificate Holder at Colson's delivery address of P.O. Box 54, Bowling Green Station, New York, NY 10274, Colson shall deliver a Guarantee Certificate as instructed to the transferee. Upon satisfactory proof of loss or destruction of a Guarantee Certificate, and indemnity of it and RBS, Colson shall issue a replacement Guarantee Certificate under appropriate and customary circumstances. Colson may take such other actions as may be necessary or appropriate for a registrar, transfer agent or replacement agent. Colson shall disclose to RBS upon request all information about Certificate Holders known to it.]

5. Performance of Guarantees. RBS will make all payments on Guarantees to Colson or its nominee, as Registrar and Paying Agent, and perform all other obligations it may have in respect of each deposited Guarantee at the request and for the nominal benefit of Colson, in its capacity as Registrar and Paying Agent for a Holder.

6. Severability. If any provision hereof violates any statute or regulation, such provision shall be deemed invalid but the remaining provisions hereof shall remain effective.

7. Succession. Any successor to all or substantially all the business of Colson shall succeed to the right, duties, obligations and immunities of Colson hereunder.

8. Notices. All notices shall be in writing and delivered by hand, overnight delivery or telecopy (receipt confirmed telephonically) as follows (until changed by notice). To RBS: USDA, Rural Business-Cooperative Service, Attention: Administrator, 1400 Independence Avenue, SW., Room 5045 South Building, Washington, D.C. 20250-3201. To Colson: Colson Services Corp. 120 Broadway, 19th Floor, New York, NY 10271, Attention: President

9. Miscellaneous. This memorandum of agreement expresses the entire understanding of the parties hereto as to the subject matter hereof, may be amended only in a writing signed by the parties hereto and may not be assigned except as provided in Section 7.

RURAL BUSINESS-COOPERATIVE SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

By (Signed by John Rosso)

Date April 3, 2003

COLSON SERVICES CORP.

By (Signed by Suzanne Hansen)

Exhibit A
GUARANTEED INTEREST CERTIFICATE
GUARANTEED BY
THE RURAL BUSINESS-COOPERATIVE SERVICE ("RBS")
OF THE DEPARTMENT OF AGRICULTURE
OF THE UNITED STATES GOVERNMENT

[CERTIFICATE NUMBER]

HOLDER INFORMATION:

REGISTERED HOLDER: _____

HOLDER'S INTEREST IN RBS LOAN GUARANTEE: _____%

LOAN INFORMATION:

USDA LOAN NUMBER: _____

SERVICING OFFICE: _____

CITY: _____

PRINCIPAL AMOUNT OF GUARANTEED PORTION: \$ _____

AS OF DATE: _____ ("CERTIFICATE ISSUANCE DATE")

CERTIFICATE SCHEDULED MATURITY DATE: _____

CERTIFICATE INTEREST RATE: _____

BASE RATE AND DIFFERENTIAL _____

AND ADJUSTMENT FREQUENCY: _____

CAP % _____ FLOOR % _____

(IF VARIABLE RATE)

SCHEDULED PAYMENT PERIOD: _____

BORROWER'S PAYMENT DUE DATE: _____

GUARANTEE

THE ABOVE-NAMED REGISTERED HOLDER IS RECOGNIZED BY THE RURAL BUSINESS-COOPERATIVE SERVICE AS THE REGISTERED HOLDER OF THE PERCENT INTEREST IN RBS LOAN GUARANTEE SHOWN IN THE ABOVE-DESCRIBED LOAN AND AS SUCH IS ENTITLED TO ALL OF THE BENEFITS OF HOLDERS PROVIDED BY THE RBS BUSINESS AND INDUSTRY GUARANTEED LOAN PROGRAM ("PROGRAM"). SUBJECT TO THE PROVISIONS OF THE PROGRAM, RBS GUARANTEES TO PURCHASE FROM THE REGISTERED HOLDER THEIR GUARANTEED INTEREST IN THE LOAN IN ACCORDANCE WITH RBS REGULATIONS AND APPLICABLE STATUTES ("APPLICABLE LAW"). APPLICABLE LAW PROVIDES FOR THE PAYMENT TO THE HOLDER OF 100 PERCENT OF ANY LOSS SUSTAINED BY SUCH HOLDER ON THE GUARANTEED PORTION OF THE LOAN TOGETHER WITH INTEREST DUE ON SUCH PORTION. THE GUARANTEE OF THE ABOVE DESCRIBED LOAN IS BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES GOVERNMENT AND IS INCONTESTABLE AGAINST THE HOLDER EXCEPT FOR FRAUD OR MISREPRESENTATIONS MADE BY THE HOLDER WHICH THE HOLDER KNEW AT THE TIME OF BECOMING HOLDER OR IN WHICH THE HOLDER PARTICIPATED.

LIMITATIONS

PAYMENT OF THE GUARANTEE MUST BE IN ACCORDANCE WITH APPLICABLE LAW. THE PURCHASE OF THE UNPAID PRINCIPAL BALANCE ON THE GUARANTEED PORTION TOGETHER WITH ACCRUED INTEREST TO THE DATE OF PURCHASE BY USDA, EXCLUDES THE LENDER'S SERVICING FEE. PAYMENT OF ACCRUED INTEREST ON THE LOAN PURSUANT TO THIS GUARANTEE IS LIMITED TO A MAXIMUM OF 90 DAYS ACCRUED INTEREST FROM THE DATE OF THE ORIGINAL DEMAND LETTER TO THE LENDER. IN ADDITION, THE HOLDER'S RIGHT TO RECEIVE ANY PAYMENTS UNDER THIS CERTIFICATE OR TO TRANSFER THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF THE AGENCY AGREEMENT BETWEEN THE HOLDER AND COLSON SERVICES CORP., THE HOLDER'S REGISTRAR AND PAYING AGENT, AT: COLSON SERVICES CORP., P.O. BOX 54, BOWLING GREEN STATION, NEW YORK, NY 10274.

FURTHER ASSURANCES

THIS CERTIFICATE IS ISSUED TO ASSURE THAT, AS OF THE AUTHENTICATION DATE, THE ABOVE-NAMED REGISTERED HOLDER HAS AN OUTSTANDING GUARANTEE OF THE ABOVE DESCRIBED NOTE IN THE AMOUNT SHOWN. IT FURTHER ASSURES THAT THE HOLDER DOES NOT HAVE ANY SERVICING RESPONSIBILITIES WITH REGARD TO ABOVE DESCRIBED LOAN.

THIS CERTIFICATE RESTATES AND DOES NOT CHANGE ANY PROVISIONS OF APPLICABLE LAW. ANY CONFLICT BETWEEN THE TERMS OF THIS CERTIFICATE AND APPLICABLE LAW WILL BE RESOLVED IN FAVOR OF APPLICABLE LAW. THIS CERTIFICATE DOES NOT PROVIDE AN ADDITIONAL GUARANTEE TO THE ABOVE DESCRIBED LOAN.

IN WITNESS WHEREOF, RBS
HAS CAUSED THIS GUARANTEED INTEREST CERTIFICATE TO BE DULY EXECUTED.

AUTHENTICATION DATE: _____

RURAL BUSINESS-COOPERATIVE SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

BY: _____
AUTHORIZED SIGNATORY

Exhibit A, Page 6 in PDF ONLY.

Exhibit B
AGENCY AGREEMENT FOR APPOINTMENT OF REGISTRAR AND PAYING AGENT FOR THE
UNITED STATES DEPARTMENT OF AGRICULTURE'S
RURAL BUSINESS-COOPERATIVE SERVICE
BUSINESS AND INDUSTRY GUARANTEED LOAN

LOAN INFORMATION:

USDA LOAN NUMBER: _____
SERVICING OFFICE: _____
CITY: _____ STATE: _____
OUTSTANDING PRINCIPAL AMOUNT OF LOAN: _____
PRINCIPAL AMOUNT OF GUARANTEED PORTION: _____
HOLDER'S INTEREST IN RBS LOAN GUARANTEE: _____ %
LOAN MATURITY DATE: _____
GROSS INTEREST RATE: _____
LENDER'S SERVICING FEE RATE: _____
REGISTRAR AND PAYING AGENT FEE RATE: _____
NET INTEREST RATE: _____
BASE RATE AND DIFFERENTIAL AND
ADJUSTMENT FREQUENCY: _____
CAP: _____ % FLOOR: _____ %
(IF VARIABLE RATE)
SCHEDULED PAYMENT PERIOD: _____
BORROWER'S PAYMENT DUE DATE: _____

TERMS AND CONDITIONS

COLSON Services Corp., a New York Corporation, PO BOX 54, Bowling Green Station, New York, New York 10274, and having its principal office in New York City (the "Registrar and Paying Agent") hereby certifies that

Holder: _____

The above-named Holder or any subsequent assignee ("Holder") is the beneficial owner of all or a portion of the guaranteed interest ("Guaranteed Portion") in the above-described loan ("Loan"). The Holder's beneficial ownership interest is evidenced by a USDA Rural Business-Cooperative Service Guaranteed Interest Certificate (the "Certificate") which is registered in the name of the Holder and which is in the possession and control of such Holder, a copy of which is attached hereto as Exhibit A. In consideration of the mutual promises contained herein, the Holder and the Registrar and Paying Agent, pursuant to the terms and conditions of this agency agreement (the "Agency Agreement"), hereby agree as follows:

1. ASSIGNMENT OF RECORD OWNERSHIP OF THE GUARANTEED PORTION

The Holder hereby transfers and assigns record ownership of the Guaranteed Portion to the Registrar and Paying Agent for the purpose of performing the duties specified herein with respect to the Guaranteed Portion. Notwithstanding such transfer and assignment, the Holder shall retain beneficial ownership of the Guaranteed Portion (as evidenced by the Certificate) until such time as such beneficial ownership is sold, transferred and assigned by the Holder pursuant to the terms of this Agency Agreement.

As record owner of the Guaranteed Portion, the Registrar and Paying Agent shall hold copies of the Note and the Loan Note Guarantee, and originals of the Assignment Guarantee Agreement and, in the case of Multi-Note Option, the originals of the Note, Loan Note Guarantee and Assignment and Servicing Agreement, and all other documents or instruments evidencing the transfer of the Guaranteed Portion by any prior Holder thereof (the "Loan Documents"); collect all payments of principal and interest with respect to the Guaranteed Portion and transmit such payments to the Holder in accordance with the terms and conditions set forth in this Agency Agreement; and prepare, execute and process on behalf of the Holder all of the documents necessary to effectuate a sale or transfer of the Certificate by the Holder to a third party pursuant hereto as and when the Holder may so instruct the Registrar and Paying Agent.

2. REPRESENTATIONS AND WARRANTIES OF THE HOLDER

The Holder hereby represents and warrants to the Registrar and Paying Agent:

2.1 The Holder has delivered true and correct copies of the Loan Documents to the Registrar and Paying Agent, which are in full force and effect as of the date hereof. The Loan Documents have not been amended or modified in any respect nor has any notice of termination been given under the Loan Documents.

2.2 The Holder is the lawful owner of the Guaranteed Portion with the full right to transfer and assign record ownership of the Guaranteed Portion to the Registrar and Paying Agent pursuant to the terms of this Agency Agreement, free from any and all claims and encumbrances arising out of the Holder's ownership thereof.

2.3. The Holder has not received notice of, and has no knowledge of, any event or occurrence, which with notice or the passage of time will result in the non-payment by the USDA guarantor agency of the Guaranteed Portion.

2.4 The Holder has not engaged in any action, fraud or misrepresentation with respect to the Guaranteed Portion nor condoned or participated in any action, fraud or misrepresentation by _____ (the "Lender") with respect to the Guaranteed Portion.

2.5 To the best of the Holder's knowledge, the borrower under the Loan is not 60 days or more delinquent with respect to principal and interest due under the Loan.

2.6. The Holder has not received notice of, and has no knowledge of, any offsets, counterclaims or other defenses available to the Lender with respect to the Loan Documents or the Guaranteed Portion.

2.7 The Holder has not waived or agreed to any waiver under, or agreed to any amendment or other modification of, the Loan Documents or the Guaranteed Portion. The Holder has no knowledge of, and has not received notice of, any waivers under or amendments or other modifications of, or assignments of rights or obligations under or defaults under, the Loan Documents or the Guaranteed Portion.

2.8. The Holder is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and has all requisite power and authority to sell, transfer and assign the Guaranteed Portion or any right or obligation of the Holder arising there from.

2.9 The Holder has full power and authority to execute, deliver and perform under this Agency Agreement, and to consummate the transactions set forth herein. The consummation of the transactions contemplated by this Agency Agreement is in the ordinary course of the Holder's business and will not conflict with, or result in a breach of, any of the terms, conditions or provisions of the Holder's organizational documents, or any legal restriction, or any material

agreement or instrument to which the Holder is now a party or by which it is bound, or result in the violation of any law, rule, regulation, order, judgment or decree to which the Holder or its property is subject. The execution, delivery and performance by the Holder of this Agency Agreement, and the consummation by it of the transactions contemplated hereby, have been duly authorized by all necessary action of the Holder. This Agency Agreement has been duly executed and delivered by the Holder and, upon the due authorization, execution and delivery to the other parties hereto, will constitute the valid and legally binding obligation of the Holder enforceable against the Holder in accordance with its respective terms except as enforceability thereof may be limited by bankruptcy, insolvency, or reorganization or other similar laws now or hereinafter in effect relating to creditor's rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or in law.

2.10 No material consent, approval, order or authorization of, or declaration, filing or registration with, any governmental entity is required to be obtained or made by the Holder in connection with the execution, delivery or performance by the Holder of this Agency Agreement, or the consummation by it of the transactions contemplated hereby.

2.11 There is no action, suit, proceeding, investigation or litigation pending or, to the Holder's knowledge, threatened, which either in any instance or in the aggregate, if determined adversely to the Holder, would adversely affect the Holder's execution or delivery of, or the enforceability of, this Agency Agreement, or the Holder's ability to perform its obligations under this Agency Agreement.

3. DUTIES OF REGISTRAR AND PAYING AGENT

The Registrar and Paying Agent shall:

3.1 Execute a written assignment notification (the "Assignment") with the Holder evidencing the transfer by the Holder of record ownership of the Guaranteed Portion to the Registrar and Paying Agent, or its nominee, as contemplated herein and provide a copy of such Assignment to the Lender and the USDA guarantor agency.

3.2 Deliver to Holder a Certificate within two business days of receipt of such Certificate from the USDA.

3.3 Maintain a segregated account (the "Collection Account") for the benefit of the Holder and deposit therein all payments of principal and interest received by the Registrar and Paying Agent in respect of the Guaranteed Portion.

3.4 Make payment to Holder on the fifteenth day of the month in the month following the related borrower's scheduled payment date, or if such fifteenth day is not a business day, the business day immediately following such fifteenth day (the "Holder's Payment Date"). Any identifiable payment received by the Registrar and Paying Agent up to the second business day prior to the Holder's Payment Date will be remitted to the Holder on the Holder's Payment Date. Any identifiable payment received by the Registrar and Paying Agent on or after the second business day prior to the Holder's Payment Date in the month following the related borrower's scheduled payment date will be remitted to the Holder within two business days of receipt of immediately available funds by the Registrar and Paying Agent. Payment on full redemption of the Holder's Certificate will be made only after presentation of the Certificate to the Registrar and Paying Agent by the Holder. The Registrar and Paying Agent shall retain a final transfer fee upon redemption.

3.5 Keep books of record and account ("Record") for all collections and payment transactions with respect to such Guaranteed Portion, which Records shall include: Loan, Documents, name of Servicing Bank, name of Borrower, name of Holder, account number, Loan number, and name of broker-dealer, if any, involved with the re-registration of the Guaranteed Portion.

3.6 Send to Holder with each Payment, or when each Payment would be due, a statement stating the following: Loan number, maturity date, net interest rate, interest and principal payment amount, outstanding principal balance after giving effect to the current payment, total payment, interest dates covered by the payment and whether the Guaranteed Portion is in default in accordance with applicable laws and agreements; provided, however, that the Registrar and Paying Agent shall have no duty to investigate whether any default has occurred unless such default relates to the failure of the Lender or the USDA to pay any amounts due with respect to the Guaranteed Portion.

3.7 In accordance with applicable laws and agreements and upon notice to the Holder, initiate default proceedings in the event the Registrar and Paying Agent has actual knowledge of, or receives notice of, a default by the borrower or the Lender, within the terms of the USDA Form 4279-6 Assignment Guarantee Agreement (or any predecessor or successor Forms) or Loan Note Guarantee. After initiation of default proceedings, the Registrar and Paying Agent may, in its sole discretion and where permitted by applicable law, upon notice to the Holder, pay to the Holder the outstanding principal balance of the Guaranteed Portion plus interest to the date of the Registrar and Paying Agent's payment, and Registrar and Paying Agent will await repurchase from the Lender or USDA. Upon such payment to Holder by the Registrar and Paying Agent, the Holder shall have no further interest in the Guaranteed Portion.

3.8. In the event that the Lender or the USDA guarantor agency is required to purchase the Guaranteed Portion in accordance with paragraph 7 or paragraph 8, respectively of the Assignment Guarantee Agreement or the Loan Note Guarantee, the Registrar and Paying Agent shall demand such purchase for the benefit of the Holder.

3.9 Upon repurchase by Lender or USDA guarantor agency in whole or in part, the Registrar and Paying Agent shall deduct any fees incurred by the Registrar and Paying Agent in the performance of its duties hereunder, and remit to the Holder in accordance with sub-paragraph 3.4. No payment shall be remitted to any Holder which has been paid in full by the Registrar and Paying Agent in advance of repurchase in accordance with sub-paragraph 3.7, and the Registrar and Paying Agent shall be entitled to reimburse itself for such payment.

3.10 In the event that the USDA guarantor agency is required to make payments to the Holder pursuant to the Loan Note Guarantee, the Registrar and Paying Agent shall demand such payment on behalf of the Holder.

3.11 In connection with any transfer of the Certificate, and upon receipt of a Certificate and a fully completed transfer instrument ("Form of Detached Assignment") attached hereto, as Attachment 1, from the Holder to the Transferee, the Registrar and Paying Agent shall:

(a) Submit to the USDA guarantor agency a new Certificate in the name of the transferee (the "Successor Certificate") and such other documents as the USDA shall reasonably request to enable the USDA to recognize the transferee as the "Holder" for all purposes under the Loan Documents;

(b) Upon receipt from the USDA guarantor agency of the Successor Certificate duly executed by the USDA guarantor agency, the Registrar and Paying Agent shall mark its records to reflect the beneficial ownership of the Guaranteed Portion by such transferee; and

(c) Deliver to the transferee the original Successor Certificate and a blank copy of this Agency Agreement.

In connection with any such transfer, the Holder shall provide or cause the transferee to provide to the Registrar and Paying Agent all information necessary to effectuate the transfer of the Certificate to such transferee (which shall include, but shall not be limited to, the name and address of such transferee, tax identification number of such transferee and such transferee's wire transfer instructions).

No Holder shall deliver a Certificate directly to USDA in order to effectuate a transfer of such Certificate to a third party unless the Registrar and Paying Agent has been removed or resigned pursuant to Section 11 hereof.

3.12 The Registrar and Paying Agent shall provide for the replacement of the Certificate (or any Successor Certificate) in the event that such Certificate (or any Successor Certificate) shall have been lost, misplaced, mutilated or destroyed; provided, however that the Registrar and Paying Agent shall have no obligation to issue a new certificate unless the Holder thereof shall have provided evidence satisfactory to the Registrar and Paying Agent that such Certificate (or any such Successor Certificate) has been lost, misplaced, mutilated or destroyed and agreed to indemnify and hold harmless the Registrar and Paying Agent and the USDA guarantor agency for any loss, liability or expense incurred in connection with such lost, misplaced, mutilated or destroyed Certificate or the issuance of any new certificate in replacement thereof. The Holder must file a bond of indemnity in such form and with such surety, sureties or security as may be required by the Registrar and Paying Agent to protect the interest of USDA and the Registrar and Paying Agent.

3.13 Notwithstanding anything to the contrary contained herein:

(a) The duties and obligations of the Registrar and Paying Agent shall be determined solely by the express provisions of this Agency Agreement, the Registrar and Paying Agent shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agency Agreement, no implied covenants or obligations shall be read into this Agency Agreement against the Registrar and Paying Agent and, the Registrar and Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or other instruments furnished to the Registrar and Paying Agent and conforming to the requirements of this Agency Agreement;

(b) The Registrar and Paying Agent shall not be liable in its individual capacity for an error of judgment made in good faith by an authorized officer or other officers of the Registrar and Paying Agent, unless it shall be proved that the Registrar and Paying Agent was grossly negligent in ascertaining the pertinent facts;

(c) The Registrar and Paying Agent shall not be liable in its individual capacity with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with this Agency Agreement or at the direction of the Holder, relating to the time, method and place of conducting any proceeding for any remedy available to the Registrar and Paying Agent, or exercising or omitting to exercise any power conferred upon the Registrar and Paying Agent, under this Agency Agreement;

(d) The Registrar and Paying Agent shall not be required to take notice or be deemed to have notice or knowledge of any default (except the failure of the Lender to pay the pro rata portion of payments of principal and interest with respect to the Guaranteed Portion) unless an authorized officer of the Registrar and Paying Agent shall have received written notice or obtained actual knowledge thereof. In the absence of receipt of such notice or actual knowledge, the Registrar and Paying Agent may conclusively assume that there is no default with respect to the Guaranteed Portion;

(e) The Registrar and Paying Agent shall not be required to expend or risk its own funds or otherwise incur financial liability for the performance of any of its duties hereunder or the exercise of any of its rights or powers if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not assured to it, and none of the provisions contained in this Agency Agreement shall in any event require the Registrar and Paying Agent to perform, or be responsible for the manner of performance of, any of the obligations of the Lender under Assignment Guarantee Agreement or Loan Note Guarantee;

(f) The Registrar and Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, officers' certificate, opinion of counsel, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(g) The Registrar and Paying Agent may consult with counsel and any advice or opinion of counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel;

(h) The Registrar and Paying Agent shall be under no obligation to exercise any of the powers vested in it by this Agency Agreement or to institute, conduct or defend any litigation hereunder or in relation hereto at the request, order or direction of the Holder, pursuant to the provisions of this Agency Agreement, unless the Holder shall have offered to the Registrar and Paying Agent security or indemnity satisfactory to the Registrar and Paying Agent against the costs, expenses and liabilities which may be incurred therein or thereby;

(i) The Registrar and Paying Agent shall not be personally liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agency Agreement;

(j) The Registrar and Paying Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Holder; provided, however, that if the payment within a reasonable time to the Registrar and Paying Agent of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Registrar and Paying Agent, not assured to the Registrar and Paying Agent by the security afforded to it by the terms of this Agency Agreement, the Registrar and Paying Agent may require indemnity satisfactory to the Registrar and Paying Agent against such cost, expense or liability as a condition to taking any such action. The reasonable expense of every such examination shall be paid by the Holder or, if paid by the Registrar and Paying Agent, shall be repaid by the Holder upon demand from the Holder's own funds;

(k) The right of the Registrar and Paying Agent to perform any discretionary act enumerated in this Agency Agreement shall not be construed as a duty, and the Registrar and Paying Agent shall not be answerable for other than its gross negligence or willful misconduct in the performance of such act; and

(l) The Registrar and Paying Agent shall not be required to give any bond or surety in respect of the powers granted hereunder.

4. COMPENSATION TO THE REGISTRAR AND PAYING AGENT

4.1 The Registrar and Paying Agent shall publish a fee schedule for performing the obligations set forth in this Agency Agreement, which is subject to change from time to time, for any Agency Agreements entered into between the Holder and Registrar and Paying Agent on or after the effective publication date of such fee schedule. The servicing fees of the Registrar and Paying Agent shall be payable from interest collected by the Registrar and Paying Agent with respect to the Guaranteed Portion and shall be withdrawn from the Collection Account prior to the remittance of any amounts on deposit therein to the Holder. In addition, the Registrar and Paying Agent shall be entitled to all amounts earned from the investment of funds on deposit in the Collection Account.

4.2 The Registrar and Paying Agent shall be reimbursed for any sums it pays for transfer or other taxes imposed by any governmental authority or agency with respect to the transfer of the Certificate and for any expenses reasonably incurred in the performance of its obligations hereunder. The Registrar and Paying Agent may withdraw such sums from amounts on deposit in the Collection Account prior to the remittance of such funds to the Holder.

5. REPRESENTATIONS AND WARRANTIES OF THE REGISTRAR AND PAYING AGENT

The Registrar and Paying Agent hereby represents and warrants that it has not acquired and, so long as the Certificate remains outstanding, shall not acquire, any interest (apart from any interest transferred to it pursuant to the terms of this Agency Agreement and any limited security interest held during the settlement and clearance of the Registrar and Paying Agent's customer transactions) in the borrower or the Loan or secure or attempt to secure additional collateral from the borrower with respect to the Loan. THE REGISTRAR AND PAYING AGENT MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, APART FROM THOSE MADE HEREIN. THE REGISTRAR AND PAYING AGENT SHALL NOT SERVE AS THE PRINCIPAL FOR THE SERVICING OR ADMINISTERING OF THE LOAN NOR BE RESPONSIBLE FOR ESTABLISHING THE LOAN NOR FOR THE DEBT UNDERLYING THE LOAN.

6. MODIFICATIONS AND AMENDMENT

The Registrar and Paying Agent may modify or amend this Agency Agreement by mailing notice in writing to the Holder at least thirty (30) days in advance of such modification or amendment, and Holder agrees to be bound by such modification or amendment if Holder does not terminate this Agency Agreement prior to the effective date of such modification or amendment.

7. CONFIDENTIALITY OF DATA

All information relating to the Holder, which Holder submits to the Registrar and Paying Agent pursuant hereto, shall be subject to applicable law, rule or regulation, and be treated as confidential by the Registrar and Paying Agent.

8. LIABILITY OF THE REGISTRAR AND PAYING AGENT; INDEMNITY; FORCE MAJEURE

8.1 The Registrar and Paying Agent shall not be liable for any action taken, suffered or omitted by it in connection herewith (a) which is authorized or within the rights or powers conferred upon the Registrar and Paying Agent hereunder or deemed by the Registrar and Paying Agent to be necessary hereunder; (b) which is so taken, suffered or omitted in reliance upon any written communication believed by the Registrar and Paying Agent to be provided for and authorized by the Holder; or (c) which is so taken, suffered or omitted in reliance upon advice of its counsel or counsel for the Holder; or (d) which is so taken, suffered or omitted in good faith; provided,

however, that the Registrar and Paying Agent shall be liable only for its own gross negligence or willful misconduct. In no event shall the Registrar and Paying Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Registrar and Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

8.2 The Registrar and Paying Agent shall not be liable in any way for any fault, failure or defect in the Loan, or the Loan Documents, or by reason of the act or failure to act of the Lender.

8.3 The Registrar and Paying Agent shall not be liable in any way if it be delayed in acting hereunder or prevented entirely or in part from acting hereunder due to causes or events beyond its control, including and without limitation, Acts of God, interruption of power or other utility, transportation, data processing or communication services, acts of civil or military authority, sabotage, national emergencies, war, explosion, flood, earthquake or other catastrophe, fire, strike or other labor problem or acts of a government agency. However, in any such event, the Registrar and Paying Agent shall use reasonable efforts to find alternative means of performance.

9. INDEMNIFICATION

The Registrar and Paying Agent and any director, officer, employee or agent of the Registrar and Paying Agent shall be indemnified, by the Holder and held harmless against any loss, liability or reasonable expense incurred in connection with this Agency Agreement, the Guaranteed Portion or the Certificate, other than any loss, liability or expense incurred by reason of gross negligence or willful misconduct in the performance by the Registrar and Paying Agent of its duties hereunder. The obligations of the Holder under this paragraph 9 shall survive the resignation and removal of the Registrar and Paying Agent and payment of the Guaranteed Portion.

10. SUBCONTRACTS: OTHER AGREEMENTS

10.1 The Registrar and Paying Agent may enter into subcontracts, understandings, and agreements, from time to time to perform the services described herein with, subsidiaries or affiliates of the Registrar and Paying Agent and other persons. No such subcontract, understanding or agreement shall discharge the Registrar and Paying Agent from its obligations to the Holder herein.

10.2 Nothing contained herein shall be construed to prevent the Registrar and Paying Agent from entering into, and performing under similar or identical agreements with other parties not a party hereto and the Holder acknowledges that the Registrar and Paying Agent's business activities include entering into and performing under such similar or identical agreement with persons and parties not a party hereto, simultaneous with the term and effectiveness hereof.

11. TERMINATION

11.1 The Registrar and Paying Agent may at any time resign and be discharged from the duties imposed upon it hereunder by giving written notice thereof to the Holder, the Lender and the USDA guarantor agency. Upon receiving such notice of resignation, the Holder shall promptly deliver the Certificate to the Registrar and Paying Agent, and instruct the Registrar and Paying Agent by written instrument to transfer and deliver the Loan Documents to the Holder or a successor registrar and paying agent. A copy of such written instrument shall be delivered to the Lender and the USDA guarantor agency by the Holder. Unless a successor registrar and paying agent shall have been so appointed and have accepted appointment within 60 days after the giving of such notice of resignation, the resigning Registrar and Paying Agent may petition any court of competent jurisdiction for the appointment of a successor registrar and paying agent.

11.2 If at any time the Registrar and Paying Agent shall fail to perform in accordance with the terms of this Agency Agreement or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Registrar and Paying Agent or of its property shall be appointed, or any public officer shall take charge or control of the Registrar and Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Holder may remove the Registrar and Paying Agent and shall, within sixty (60) days after such removal, appoint a successor registrar and paying agent by written instrument, in duplicate, which instrument shall be delivered to the Registrar and Paying Agent so removed and to the successor registrar and paying agent. A copy of such instrument shall be delivered to the Lender and the USDA guarantor agency by the Holder.

11.3 The Holder may discharge the Registrar and Paying Agent from its duties hereunder, for any reason whatsoever, upon ninety (90) days written notice. In the event of termination of this Agency Agreement, Holder shall deliver promptly the Certificate to the Registrar and Paying Agent and simultaneously pay the Registrar and Paying Agent all amounts due it hereunder.

11.4 In the event of the resignation or removal of the Registrar and Paying Agent hereunder, the Registrar and Paying Agent shall transfer and deliver immediately the Loan Documents to the Holder or its designee, and take all action reasonably necessary to transfer the ownership of the Guaranteed Portion to the Holder or its designee. Notwithstanding any such resignation or removal, the Registrar and Paying Agent shall be entitled to all amounts due it hereunder.

12. THE REGISTRAR AND PAYING AGENT AS INDEPENDENT CONTRACTOR

The Registrar and Paying Agent performs hereunder solely as an independent contractor. No joint venture, partnership employment, or any similar relationship, nor any trust or other fiduciary relationship is intended, accomplished or embodied herein. The Registrar and Paying Agent shall have the sole and exclusive right to supervise, manage, control and direct its performance hereunder.

13. ASSIGNMENT

The Certificate may be assigned by the Holder without the prior written consent of the Registrar and Paying Agent; provided, however, the transfer of such Certificate is subject to the provisions of Section 3.11 hereof. Each assignee upon acceptance of the Certificate, subject to the provisions of Section 3.11 hereof, assumes all rights, privileges, obligations and liabilities of the Holder hereunder.

14. NOTICES

All notices, requests or other communications required or provided for hereunder shall be in writing and shall be deemed to have been duly given four (4) days after mailing, prepaid return receipt requested, to the parties or their representatives or when hand-delivered to the parties or their representatives at the addresses set forth herein.

15. PRIVATE AGREEMENT

The Holder and the Registrar and Paying Agent acknowledge and agree that this is a private agreement, the terms and conditions of which are neither approved nor required by any government agency.

16. LAW GOVERNING

The terms and conditions contained herein shall be construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed in the State of New York.

Authentication Date:

COLSON SERVICES CORP.

Registrar and Paying Agent

Holder

By:

By:
Authorized Signer
Authorized Signer

Exhibit A, Page 22 in PDF ONLY.